

PUBLIC DISCLOSURE

MARCH 3, 1997

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

UINTA COUNTY STATE BANK
10-56-0360
85052

P.O. BOX 159
MOUNTAIN VIEW, WYOMING

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of Uinta County State Bank, Mountain View, Wyoming, prepared by the Federal Reserve Bank of Kansas City, the institution's supervisory agency, as of March 3, 1997. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR, Part 228.

INSTITUTION'S CRA RATING: *This institution is rated **Substantial Noncompliance**.*

The bank's performance with the CRA is substantial noncompliance. The bank's negligible loan-to-deposit ratio is not reasonable given the bank's size, financial condition, and assessment area credit needs. Even though a majority of loans were found to be in the bank's assessment area, the extremely low number of loans indicates the bank is not meeting the credit needs of its community.

The following table indicates the performance level of Uinta County State Bank with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	UINTA COUNTY STATE BANK PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not Meet Standards for Satisfactory Performance
Loan-to-Deposit Ratio			X ¹
Lending in Assessment Area		Analysis and rating not meaningful	
Lending to Borrowers of Different Incomes and to Businesses of Different Sizes		Analysis and rating not meaningful	
Geographic Distribution of Loans		Analysis and rating not meaningful	
Response to Complaints	The bank has not received any complaints since the last examination		

¹ As of the date of examination, the bank had approximately \$48,000 outstanding in loans. This extremely low level of loans renders the analysis and rating of the remaining three performance criteria meaningless. As such no rating is assigned.

DESCRIPTION OF INSTITUTION

Uinta County State Bank has one full-service facility in the town of Mountain View. The bank is located at 128 North Birch Street, Mountain View, Wyoming.

The bank reported total assets of \$6,543,000 in its December 31, 1996 Report of Condition and Income (Call Report). The bank's assets included \$4,668,000 in securities and 48,000 in loans. The bank's equity capital, as reported in the (Call Report), was \$3,382,000. The table on the following page reflects the distribution of the bank's loan portfolio as of that date.

DISTRIBUTION OF LOANS IN THE LOAN PORTFOLIO		
	\$ Amount	Percentage

<i>Type of Loan</i>	<i>(In Thousands)</i>	<i>of Total Loans</i>
Commercial and Farm Loans	29	60
Loans Secured by Real Estate:		
Construction and land development		
Revolving, open-end loans secured by 1- to 4-family residential properties		
All other loans secured by 1- to 4-family residential properties		
Secured by multifamily (5 or more) residential properties		
Secured by nonresidential properties		
Consumer instalment loans	14	29
Consumer open-end loans		
Other	5	11
Total	48	100

The bank's performance under CRA was last evaluated at the March 11, 1996 examination, at which time it was considered substantial noncompliance.

DESCRIPTION OF BANK'S ASSESSMENT AREA

Uinta County State Bank is located in Mountain View, Wyoming, a town in the southwestern part of Wyoming approximately 18 miles north and 45 miles east of the Utah border. Except for the city of Evanston, the county seat, Uinta County is sparsely populated. The bank's assessment area includes the towns of Mountain View, Fort Bridger, and Lyman, Wyoming. The bank's assessment area does not arbitrarily exclude any low- and moderate-income areas. Also, the bank's assessment area, which is the geographic area the bank has designated as its service area, includes three of the four block numbering areas (BNAs) of Uinta County, Wyoming. These three BNAs include two middle-income and one upper-income tracts.

According to the 1990 census, the bank's assessment area population was 12,713, with a median family income of \$39,154. The 1990 median family income for nonmetropolitan Wyoming was \$32,096.

According to community contacts, the Bridger Valley, which includes the towns of Mountain View, Lyman, and the unincorporated area of Fort Bridger, is surrounded

by ranch land, oil production areas, and national forest lands. The soda ash (trona) mining companies approximately 45 miles to the east in Sweetwater County, employ approximately one-third of the work force living in the Bridger Valley, with the other major employers being Uinta County, the school district, and the U.S. Forest Service. A map of the bank's assessment area is attached to this performance evaluation.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's performance under the CRA remains in substantial noncompliance. The bank's negligible loan-to-deposit ratio reflects that the bank is not responsive to the credit needs of the community. This extremely low level of lending activity basically negates the results of the remaining performance criteria used to evaluate the bank's record of helping to meet the credit needs of its assessment area. These include the percentage of loans located in the bank's assessment area, the bank's lending to borrowers of different income levels and businesses and farms of different sizes, and the geographic distribution of the bank's loans.

Loan-to-Deposit Ratio

The bank's loan-to-deposit ratio, which contrasts the level of loans to deposits, is so negligible given the bank's size, financial condition, and assessment area credit needs that this component is assigned a rating of Substantial Noncompliance. The bank's average loan-to-deposit ratio for the four quarters ending October 1, 1995, through September 30, 1996, based on Call Report information, is 1.5 percent. This ratio is much lower than that of one other bank located in the bank's assessment area (62 percent) and much lower than peer group banks nationwide of 58 percent.

To evaluate the bank's lending activity within its assessment area, all loans originated by the bank since the most recent examination, March 11, 1996, were reviewed during the examination. This consisted of 12 consumer loans totaling \$24,768 and 3 small business loans totaling \$26,000. Based on this lending activity, approximately 93 percent of the bank's loans were originated to borrowers located within the bank's assessment area. Although the figures representing the bank's lending activity within its assessment area would ordinarily meet satisfactory standards, the bank's extremely low loan-to-deposit ratio influences all the criteria that is used to measure the bank's CRA performance. The bank originates such a small number of loans within its assessment area that it is not effectively meeting

the credit needs within the community. Therefore, further analysis is meaningless.

The bank's lending to borrowers of different income and businesses of different sizes could not be determined because the bank does take written loan applications; therefore, it does not collect income information. Furthermore, given the small loan amounts, an analysis by loan proxy would also be meaningless. The only information available for reviewing the bank's performance under the geographic distribution was ZIP Codes. In all instances, only P.O. Box numbers were available for borrower addresses within the assessment area. The actual borrower location in relation to the BNA was not available. Therefore, ZIP Code analysis was used instead of BNA analysis to determine geographic distribution.

The bank's geographic distribution of loans within the assessment area shows that 50 percent of loans were to residents with a Mountain View ZIP Code, 43 percent were to residents with a Fort Bridger ZIP Code, and 7 percent were to residents with a Lyman ZIP Code. These three communities border BNAs; therefore, their ZIP Code addresses extend into the upper-income BNA and either of the two middle-income BNAs.

The bank has received no complaints about its performance in meeting assessment area credit needs. Therefore, no assessment of the bank's performance in responding to complaints was made.